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U.S. DISTRICT COURT
DISTRICT OF NEBRASKA

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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

CVP SBIC, L.P.

Defendant.

Civil Action No. 3:16-cv-2213

SIPULATION FOR ENTRY OF
CONSENT RECEIVERSHIP
ORDER

STIPULATION FOR ENTRY OF ORDER, United States of America v. CVP SBIC, L.P.

1 **TO THE COURT AND ALL PARTIES IN INTEREST:**

2 Please find attached hereto a Stipulation for Entry of Consent Receivership Order
3 entered into between Plaintiff United States of America and Defendant CVIP SBIC, L.P.
4 and Consent Receivership Order regarding the same.

5
6 Dated: May 16, 2016

By: /s/ Christina L. Goebelsmann

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STIPULATION FOR ENTRY OF CONSENT ORDER FOR RECEIVERSHIP

WHEREAS, Defendant, CVP SBIC, L.P. ("Defendant") is a licensee of the U.S. Small Business Administration ("SBA") under the Small Business Investment Act of 1958, as amended, 15 U.S.C. §661, et seq. (the "Act");

WHEREAS Defendant has a condition of Capital Impairment in violation of the Act and SBA's regulations, thereby entitling SBA to obtain a receivership and other injunctive relief against Defendant under 15 U.S.C. §687c;

WHEREAS Defendant has agreed to entry of the Consent Order for Receivership; and

WHEREAS, the said parties desire to resolve this matter amicably without further proceedings, trial or adjudication of any issue, and do hereby stipulate as follows:

1. That this Court has jurisdiction over the subject matter of this action and over Defendant 15 U.S.C. §§687(d) and 687h, and that venue is proper under 15 U.S.C. §§687(d), 687h, and 28 U.S.C. §1391(b);

2. That Defendant agrees to the entry of the attached Consent Order without further proceedings;

3. That the Defendant waives findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure;

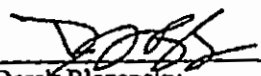
4. That Defendant waives any right or basis to contest the validity of the attached Consent Order; and

1 5. That the Consent Order may be presented by Plaintiff to the Court for signature
2 and entry without further notice to Defendant; provided however the United States will provide
3 notice of entry to Defendant.
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5 **STIPULATED AND AGREED BY THE PARTIES' AUTHORIZED**
6 **REPRESENTATIVES:**

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8 **CVP SBIC, L.P.**

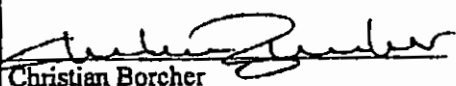
9 By its General Partner, CV SBIC, Inc.

10 
11 Derek Blazensky
12 Its Principal

13 Date: 3-7-16
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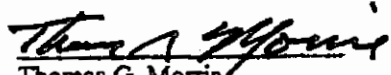
15 **CVP SBIC, L.P.**

16 By its General Partner, CV SBIC, Inc.

17
18 
19 Christian Borchert
20 Its Principal

21 Date: 3-7-16
22

23 **U.S. SMALL BUSINESS ADMINISTRATION**

24 By: 
25 Thomas G. Morris
26 Director, Office of Liquidation
27 U.S. Small Business Administration
28 Investment Division

 Date: 04-06-2016

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UNITED STATES OF AMERICA,

Plaintiff,

v.

CVP SBIC, L.P.

Defendant.

Civil Action No. 3:16-cv-2213

CONSENT RECEIVERSHIP
ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1 1. Pursuant to the provisions 15 U.S.C. §687c, this Court hereby takes exclusive
2 jurisdiction of the CVP SBIC, L.P. ("CVP SBIC" or "licensee"), and all of its assets and property,
3 of whatever kind and wherever located, and the United States Small Business Administration
4 ("SBA") is hereby appointed Receiver of CVP SBIC ("Receiver") to serve without bond until
5 further order of this Court. The Receiver is appointed for the purpose of marshaling and
6 liquidating all of CVP SBIC's assets and satisfying the claims of creditors therefrom in the order
7 of priority as determined by this Court.

9 2. The Receiver shall have all powers, authorities, rights and privileges heretofore
10 possessed by the officers, directors, managers and general and limited partners of CVP SBIC
11 under applicable state and federal law, by the Articles of Limited Partnership, and By-Laws of
12 said limited partnership, in addition to all powers and authority of a receiver at equity, and all
13 powers and authority conferred upon the Receiver by the provisions of 15 U.S.C. § 687c and 28
14 U.S.C. § 754. The trustees, directors, officers, managers, employees, investment advisors,
15 accountants, attorneys and other agents of CVP SBIC are hereby dismissed and the powers of
16 any general partners are hereby suspended. Such persons and entities shall have no authority
17 with respect to CVP SBIC's operations or assets, except to the extent as may hereafter be
18 expressly granted by the Receiver. The Receiver shall assume and control the operation of CVP
19 SBIC and shall pursue and preserve all of its claims.

22 3. The Receiver is entitled to take immediate possession of all assets, bank accounts
23 or other financial accounts, books and records and all other documents or instruments relating to
24 CVP SBIC. The past and/or present officers, directors, agents, managers, general and limited
25 partners, trustees, attorneys, accountants, and employees of CVP SBIC, as well as all those
26 acting in their place, are hereby ordered and directed to turn over to the Receiver forthwith all
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1 books, records, documents, accounts and all other instruments and papers of and relating to CVP
2 SBIC and all of CVP SBIC's assets and all other assets and property of the limited partnership,
3 whether real or personal. The general partner of CVP SBIC shall furnish a written statement
4 within five (5) days after the entry of this Order, listing the identity, location and estimated value
5 of all assets of CVP SBIC, a list of all employees (and job titles thereof), other personnel,
6 attorneys, accountants and any other agents or contractors of CVP SBIC, as well as the names,
7 addresses and amounts of claims of all known creditors of CVP SBIC. Within thirty (30) days
8 following the entry of this Order, the general partner of CVP SBIC shall also furnish a written
9 report describing all assets. All persons and entities having control, custody or possession of any
10 assets or property of CVP SBIC are hereby directed to turn such assets and property over to the
11 Receiver.
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14 4. The Receiver shall promptly give notice of its appointment to all known officers,
15 directors, agents, employees, shareholders, creditors, debtors, managers and general and limited
16 partners of CVP SBIC, as the Receiver deems necessary or advisable to effectuate the operation
17 of the receivership. All persons and entities owing any obligation, debt, or distribution with
18 respect to a partnership interest to CVP SBIC, until further ordered by this Court, pay all such
19 obligations in accordance with the terms thereof to the Receiver and its receipt for such
20 payments shall have the same force and effect as if CVP SBIC had received such payments.
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23 5. The Receiver is hereby authorized to open such Receiver's accounts at banking or
24 other financial institutions to extend credit on behalf of CVP SBIC, to utilize SBA personnel,
25 and to employ such other personnel as it may deem necessary to effectuate the operation of the
26 receivership including, but not limited to, attorneys, accountants, consultants and appraisers, and
27 is further authorized to expend receivership funds to compensate such personnel in such amounts
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1 and upon such terms as the Receiver shall deem reasonable in light of the usual fees and billing
2 practices and procedures of such personnel. The Receiver is not required to obtain Court
3 approval prior to the disbursement of receivership funds for payments to personnel employed by
4 the Receiver or for expenses that the Receiver deems advantageous to the orderly administration
5 and operation of the receivership. In addition, the Receiver is authorized to reimburse the SBA
6 for travel expenses incurred by SBA personnel in the establishment and administration of the
7 receivership. The Receiver may, without further order of this Court, transfer, compromise, or
8 otherwise dispose of any claim or asset in the ordinary course of business, other than real estate.
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10 6. CVP SBIC's past and/or present officers, directors, agents, attorneys, managers,
11 shareholders, employees, accountants, debtors, creditors, managers and general and limited
12 partners of CVP SBIC, and other appropriate persons or entities (including without limitation,
13 the defendant's portfolio of small business concerns and financial institutions doing business
14 with defendant and/or defendant's portfolio of small business concerns) shall answer under oath
15 to the Receiver all questions which the Receiver may put to them and produce any documents as
16 required by the Receiver regarding the business of said limited partnership, or any other matter
17 relevant to the operation or administration of the receivership or the collection of funds due to
18 CVP SBIC. In the event that the Receiver deems it necessary to require the appearance of the
19 aforementioned persons or entities, the Receiver shall make its discovery request(s) in
20 accordance with the Federal Rules of Civil Procedure.
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23 7. The parties to any and all civil legal proceedings of any nature, including, but not
24 limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default
25 proceedings, or other actions of any nature involving CVP SBIC or any assets of CVP SBIC,
26 including subsidiaries and partnerships, wherever located, and excluding the instant proceeding,
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1 involving CVP SBIC, the Receiver, or any of CVP SBIC's past or present officers, directors,
2 managers, agents, or general or limited partners or the managers, members, employees or agents
3 of any past or present general partner sued for, or in connection with, any action taken by them
4 while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff,
5 third-party defendant, or otherwise, are enjoined from commencing or continuing any such legal
6 proceeding, or from taking any action, in connection with any such proceeding or any such asset.
7 All civil legal proceedings of any nature, including but not limited to bankruptcy proceedings,
8 arbitration proceedings, foreclosure actions, default proceedings, or other action of any nature
9 involving CVP SBIC or any assets of CVP SBIC, including subsidiaries and partnerships,
10 wherever located, and excluding the instant proceeding, involving CVP SBIC, the Receiver, or
11 any of CVP SBIC's past or present officers, directors, managers, agents, or general or limited
12 partners or the managers, members, employees or agents of any past or present general partner
13 sued for, or in connection with, any action taken by them while acting in such capacity of any
14 nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise,
15 are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from
16 taking or permitting any action until further Order of this Court. Further, as to a cause of action
17 accrued or accruing in favor of CVP SBIC against a third person or party, any applicable statute
18 of limitation is tolled during the period in which this injunction against commencement of legal
19 proceedings is in effect as to that cause of action.
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24 8. CVP SBIC and its past and/or present directors, officers, managers, general or
25 limited partners, agents, employees and other persons or entities acting in concert or participating
26 therewith be, and they hereby are, enjoined from either directly or indirectly taking any actions
27 or causing any such action to be taken which would dissipate the assets and/or property of CVP
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1 SBIC to the detriment of CVP SBIC or of the Receiver appointed in this cause, including but not
2 limited to destruction of corporate records, or which would violate the Small Business
3 Investment Act of 1958, as amended, 15 U.S.C. 661 et. seq., or the regulations promulgated
4 thereunder, ("Regulations"), 13 C.F.R. §107.1 et. seq.

5 9. The Receiver is authorized to borrow up to \$1,000,000 from the SBA on behalf of
6 CVP SBIC and is authorized to cause CVP SBIC to issue Receiver's Certificates of Indebtedness
7 in the principal amounts of the sums borrowed, which certificates will bear interest at or about 10
8 percent per annum and will have a maturity date no later than 18 months after the date of issue.
9 Said Receiver's Certificates of Indebtedness shall have priority over all other debts and
10 obligations of CVP SBIC, excluding administrative expenses of the Receivership, whether
11 currently existing or hereinafter incurred, including without limitation any claims of general or
12 limited partners of CVP SBIC.
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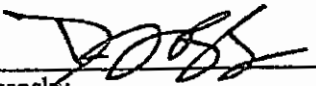
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10. This Court determines and adjudicates that SBA has made a sufficient showing
that CVP SBIC had a condition of Capital Impairment in violation of the Act and the
Regulations, as alleged in the Complaint filed against CVP SBIC in the instant action, to obtain
the relief so requested.

SEEN, STIPULATED AND AGREED BY:

CVP SBIC, L.P.

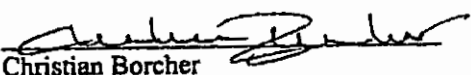
By its General Partner, CV SBIC, Inc.


Derek Blazensky
Its Principal

Date: 3-7-2016

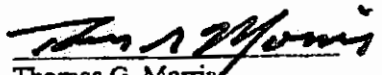
CVP SBIC, L.P.

By its General Partner, CV SBIC, Inc.


Christian Borchert
Its Principal

Date: 3-7-2016

U.S. SMALL BUSINESS ADMINISTRATION

By: 
Thomas G. Morris
Director, Office of Liquidation
U.S. Small Business Administration
Investment Division

Date: 04-06-2016

1 Dated: May 16, 2016

By: /s/ Christina L. Goebelsmann

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3 Special Assistant United States Attorney
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9 christina.goebelsmann@sba.gov

10 **IT IS SO ORDERED**

11 This 27th day of June, 2016

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13 /s/ Joseph C. Spero

14 Joseph C. Spero
15 Chief Magistrate Judge
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